



Carla Pasternak's

# Dividend Opportunities

STREETAUTHORITY

[About Us](#)

[DividendOpportunities.com](#)

[Issue Archives](#)

[Premium Content](#)

[Research Reports](#)

[Subscribe](#)

Wednesday, August 13, 2008

[Printer-Friendly](#) | [PDF Version](#) | [Whitelist Us](#) | [Trouble viewing images?](#)

## Capture Olympic-Sized 11.9% Yields

-- By Carla Pasternak

Israel fielded its largest and youngest Olympic team this year. This matches the country's broader demographics -- its median age is only 29, and those young people's reliance on communication technology is helping fuel a rich 11.9% dividend yield from one of Israel's top telecom providers. *(Full Story Below)*

Also in Today's Issue...

### Capture 14% Yields and Total Returns up to +185.6%

On the last trading day of 2009, 94% of the picks in this high-yielding portfolio were up. Most of them have returned more than +10%, and several have returned +100% or more. But the best part is that these picks carry stable yields of up to 14.3%!

[Go here to see for yourself.](#)

### Turn a \$200 investment into \$1 Million

There's a reason penny stocks have been Wall Street's favorite hidden investment for years now: they give the best shot at winning it big.

[Click Here to get in on these Hidden Investments!](#)

### Capture Olympic-Sized Yields of 11.9%

With the opening of the Olympics last week, the world's eyes have focused on China. Savvy investors have been watching Asia's emerging giant for years now, and many have profited handsomely. While there are undoubtedly many worthwhile individual investments there, we think income investors, on the whole, might do well to look elsewhere.

The Shanghai Composite Index offers an average dividend yield of 1.5%. That's lower than London's FTSE, Germany's DAX, our S&P and Brazil's Bovespa. Even Japan's Nikkei, which is typically considered the lowest-yielding index in the world, is paying 1.6%.

Chinese stocks have also shown extreme volatility and are currently down about -53% year-to-date. With an average earnings multiple of 19, these equities could easily have a lot farther to fall. Stability and consistency afford the income investor a margin of safety, and China offers little of either right now.

### Broadening Our Horizons

This is one of the reasons we particularly like Israel. Its market has been much more resilient, its earnings multiples are lower and its dividend yields are higher. Its currency has also been stronger than the yuan relative to the dollar, which magnifies returns for U.S. investors.

## Income Notes

The average 6-month CD rate in the U.S. is only 3.17%. But you can get FDIC-insured CDs with higher yields denominated in foreign currencies. For instance the 6-month CD based on the Australian dollar is paying 5.58%, a New Zealand dollar CD has a 6.22% yield, and a CD in the South African Rand is currently yielding 8.94%.

-- GDO Research Staff

If you invested \$5,000 a year in a fund that paid a 14% annual dividend yield, your investment would be worth \$480,500 after 30 years. If you reinvested those same dividends using a dividend reinvestment plan (DRIP), in 30 years your investment would be worth \$2,038,685.

-- GDO Research Staff

### One Stock a Month is All You'll Ever Need

For the entire 2009 calendar year 100% of Amy Calistri's *Stock of the Month* picks have been winners. ALL of her picks are up -- as much as +58.4% in just a few months. And her subscribers are making money hand over fist alongside her. One has made \$10,272... another is up \$46,002.

While Israel can't match China's rapid +9% expansion, Israel's economic growth, expected at an average +4.4% through 2012, is still robust. Inflation is modest. And though political struggle and ethnic strife may tend to dominate the headlines, lawmakers there agree on an economic policy centered on restrained government spending and foreign investment.

Israel exports \$50.2 billion worth of goods and services a year, enough to give the country a \$5 billion current-account surplus. Corporate tax rates are substantially lower than the United States and are scheduled to decline even further in 2010. The tax system encourages unearned income (capital gains, interest and dividends), and is generous toward foreign investors and venture capital.

This favorable business climate has been good for the market. The Tel Aviv 100 Index has gained +127.8% in the past five years. That's a commanding performance against the S&P 500, which reluctantly eked out a gain of just +25.7% during the same period.

On an annualized basis, the Tel Aviv index outpaced the U.S. benchmark by a factor of six. And, as a bonus for growth investors, the index has an average dividend yield of 3.2%, besting the S&P's 2.3% and more than twice what China has to offer.

### Ring the Bell, Take the Money

One company we've found that is partly responsible for setting that curve is a cellular and fixed-line phone company that's paying an 11.9% dividend yield. We profiled this outstanding company in this month's issue of our premium income-investing newsletter [High Yield Investing](#).

The company ranks No. 1 in terms of subscribers, sales revenue and cash flow. It controls 34% of the wireless market and also provides fixed-line phone service to businesses.

Israelis *love* cell phones -- many have more than one wireless phone, as is evidenced by the technology's 120% penetration rate. But the market still has room to grow. It's population expands +2% a year -- higher than the world average 1.2% -- and its economic growth rate is even higher than that. An expanding economy with more and more people translates into more being spent on wireless services. And spend they do -- telecommunications accounts for more than 4% of Israel's \$185.9 billion economy.

The firm's most compelling revenue driver is technology, which is enabling wireless customers to use their handsets for more tasks, such as banking, e-mail, music downloads and even videoconferencing. If the idea of a video linkup on a cell phone is baffling, consider: Israel is a young country. The median age is 29. These are people who grew up using cell phones and are willing and able to exploit the technology. The revenue generated from these services is growing at an astounding +45% annual rate.

The company's dividend policy is to distribute at least 75% of annual net income to shareholders in quarterly installments. Besides the regular dividend, management also seeks to distribute at least 50% of earnings each year. During the past year, the company paid out \$3.93 per share. That gives the stock a yield of 11.9% of today's share price (\$3.93/\$33.15).

Dividends are based on Israel's local currency, the New Israel Shekel. In the past year, the shekel has gained more than +20% against the dollar, providing an equivalent boost in the value of the dividends for U.S. investors.

[Click here to get her latest pick.](#)

---

## Recent Articles

[The Best of Both World: A 10.1% Yield and Exposure to Foreign Markets](#)

By Nathan Slaughter  
July 30, 2008

With the average yield of the S&P 500 hovering at 2.4% and the U.S. one-year Treasury Bill offering a paltry 2.36%, investors need to travel farther afield to find steady double-digit yields.

Find out how exchange-traded funds can let you search the far reaches of the globe for the best yielding opportunities.

[Read On...](#)

---

[The Billionaire Watch](#)

By Nick Lanyi  
June 25, 2008

A billion dollars may not be what it used to be, but it's still a serious pile of cash. So why are more and more of the world's most eye-popping fortunes being made in foreign countries? Because that's where the growth is.

[Read On...](#)

---

[High Yields from the Land of the New Gold Rush](#)

By Nick Lanyi  
May 28, 2008

South Africa, the

Subscriber growth and value-added services led to a robust +56% annual earnings growth over the past year. Earnings are forecast to grow +20% this year and average +10% growth in the next few years, largely because of the company's data-service business. Voice services, which contribute the lion's share of revenue, have been growing at a steady +2-3% clip and are projected to continue doing so in the years ahead.

These shares have enjoyed total returns of more than +40% during the past year in a down market, but are still attractively priced. They are selling at just 11 times next year's projected earnings, which is a bargain considering the double-digit dividend yield.

#### Income bolsters returns in difficult markets

Israeli companies pay higher yields because they want to attract capital to their economy. This is an opportunity for your dollars to go where they will be treated best -- with a double-digit yield and the extremely likely potential for a substantial long-term capital gain. These shares will earn you money while they're earning you money. It's one of the things we look for in our premium newsletter, [High-Yield Investing](#).

Subscribe today and we'll send you the name of this security, and provide you with monthly content and mid-month updates to ensure you're always fully apprised of the best income investments the world has to offer. To learn the name of this security, click [here](#).

Join us next week as we take a trip to Eastern Europe.

Good investing!



*C. Pasternak*

-- Carla Pasternak

Co-Editor

*Global Dividend Opportunities*

[GlobalDividends.com](http://GlobalDividends.com)

839-K Quince Orchard Blvd.

Gaithersburg, MD 20878-1614

P.S. -- Don't miss a single issue! Add our address, [Editors@GlobalDividends.com](mailto:Editors@GlobalDividends.com), to your Address Book or Safe List. For instructions, [go here](#).

world's largest producer of gold and platinum, has delivered gains of +310% over the past few years, and it's up +11.8% already in 2008. But huge capital gains are just a small part of the story.

[Read On...](#)

---

We're Finding Stocks Paying \$26,500 a Year in Dividends

Now is a great time to invest. Every dollar we're investing is giving us two, three, four even five times as much income as it did just a year ago -- it's as if a giant "multiply your money" certificate has dropped into our laps.

[Click here to learn more.](#)

---

#### Reader Favorites

[Escape the U.S. Financial Turmoil](#)

By Andy Obermueller

[How to Add a Margin of Safety to Your Stock Portfolio in a Tumultuous Market](#)

By Andy Obermueller

---

#### Special Offers

[The Next Way the Government Will Make Investors Rich](#)

The *StreetAuthority Investor Update* is a free weekly newsletter designed to help you track down the market's most profitable stocks, funds, and ETFs. Sign up today and you'll also receive a free in-depth research report -- *The Next Way the*

---

[Home](#) | [Issue Archives](#) | [About Us](#) | [Meet the Staff](#) | [Subscribe](#)  
[Premium Content](#) | [Research Reports](#) | [Media Coverage](#) | [Testimonials](#)

We sincerely hope that you benefit from your subscription to this newsletter, and we're willing to do whatever it takes to keep you as a satisfied customer. However, if at any time you wish to discontinue your complimentary subscription, you can do so by simply [visiting this link](#) and confirming your request, or by calling (301) 216-2005.

Please note that StreetAuthority, LLC is not a registered investment firm or broker/dealer. Readers are advised that the material contained herein should be used solely for informational purposes. StreetAuthority does not purport to tell or suggest which investment securities members or readers should buy or sell for themselves. Site users should always conduct their own research and due diligence and obtain professional advice before making any investment decision. StreetAuthority will not be liable for any loss or damage caused by a reader's reliance on information obtained in this newsletter or on our web site. Our readers are solely responsible for their own investment decisions.

The information contained herein does not constitute a representation by the publisher or a solicitation for the purchase or sale of securities. Our opinions and analyses are based on sources believed to be reliable and are written in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy or completeness. All information contained in this report should be independently verified with the companies mentioned. The editor and publisher are not responsible for errors or omissions. StreetAuthority receives no compensation of any kind from any companies that may be mentioned in our newsletters or on our web site. Any opinions expressed are subject to change without notice. Owners, employees and writers may hold positions in the securities discussed in this report or on our web site.